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1Q24 Investor Presentation

April 24th, 2024

This presentation may contain certain forward-looking statements about Bankwell Financial Group, Inc. (the “Company”). Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believe,” “expect,” “would,” “should,” “could,” or “may.” Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include increased competitive pressures, changes in the interest rate environment, general economic conditions or conditions within the banking industry or securities markets, and legislative and regulatory changes that could adversely affect the business in which the Company and its subsidiaries are engaged.



- 1Q24 Performance
- Deposits & Liquidity
- Loans
- Credit Quality & Capital
- Bankwell History & Overview





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1Q24 Performance

Dollars in millions, except per share data

	1Q24
Net Income	\$3.8
Earnings Per Share (EPS)	\$0.48
PPNR ¹ Return on Average Assets	1.10%
Return on Average Assets	0.47%
Return on Average Tangible Common Equity	5.65%
Non-Interest Expense / Assets	1.66%
Tangible Book Value Per Share	\$33.57
Total Risk Based Capital (Bank)	12.63%

Highlights

- \$8.8 million pre-tax, pre provision net revenue¹
- \$3.8 million Net income reflects impact of \$3.7 million of loan charge offs
- \$120 million reduction in brokered deposits during the quarter
- 8.7% increase in noninterest bearing deposits from year-end 2023, to 14.1% of deposits
- \$33.57 Tangible Book Value reflects a 14% CAGR since 2020
- 45,924 shares repurchased at average price of \$25.33 through April 11, 2024



¹ Pre-tax, pre-provision net revenue ("PPNR") is a non-GAAP metric & excludes provision for loan losses and income tax expense

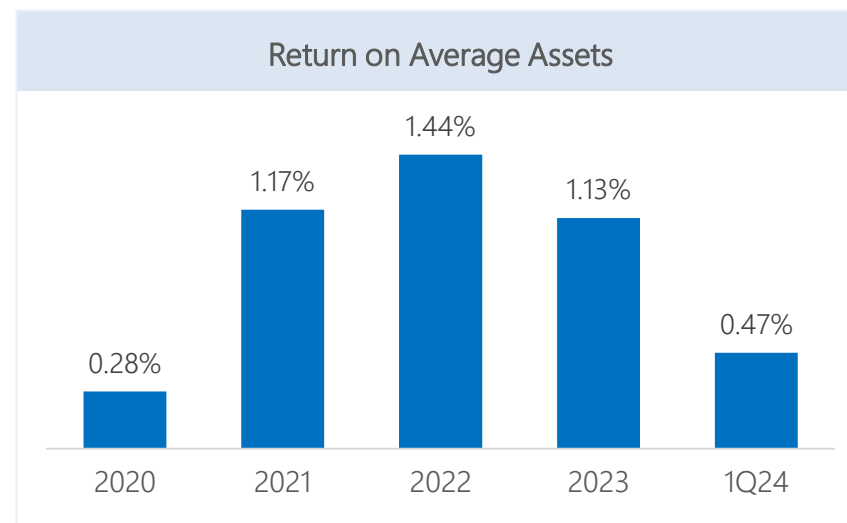
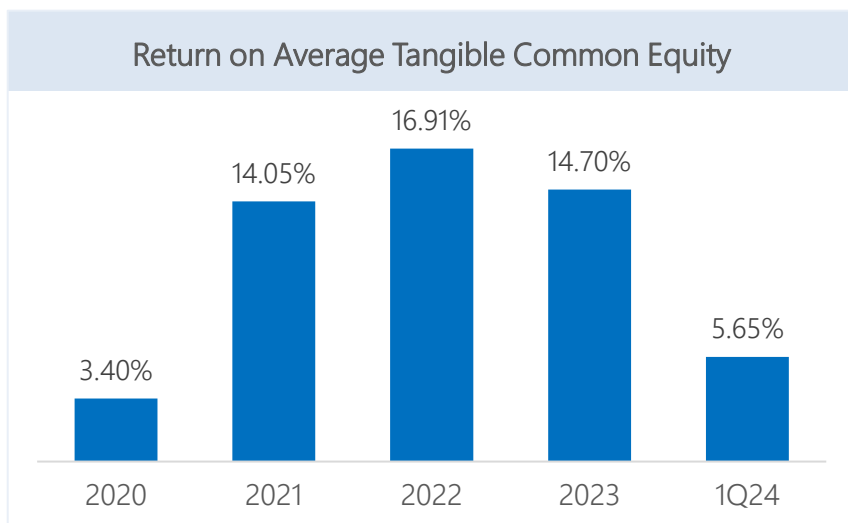
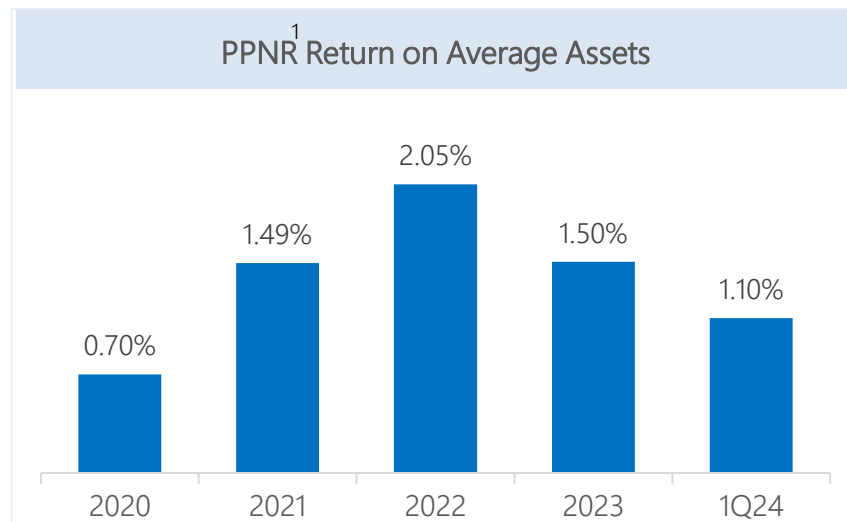
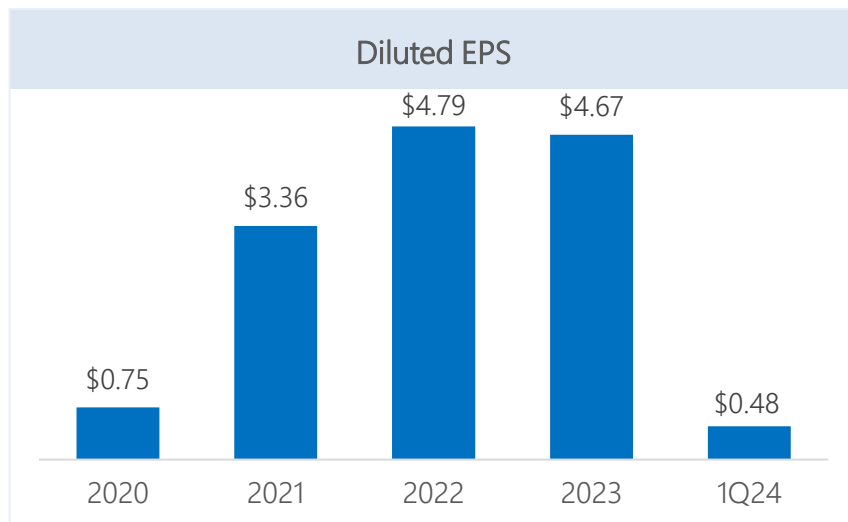
Dollars in millions, except per share data

Income Statement	1Q24	4Q23	Var ¹	Balance Sheet	1Q24	4Q23	Var ¹
Total Interest Income	\$48.3	\$49.4	\$(1.1)	Cash & Cash Equivalents	\$248	\$269	\$(21)
Total Interest Expense	\$27.1	\$27.1	\$0.0	Investment Securities	\$126	\$128	\$(2)
<i>Net Interest Income</i>	<i>\$21.1</i>	<i>\$22.2</i>	<i>\$(1.1)</i>	Loans Receivable, net	\$2,647	\$2,685	\$(38)
Non-Interest Income	\$0.9	\$1.1	\$(0.2)	All Other Assets	\$135	\$133	\$2
Non-Interest Expense	\$13.3	\$12.9	\$(0.4)	Total Assets	\$3,155	\$3,215	\$(60)
Pre-Tax, Pre-Provision Net Revenue	\$8.8	\$10.5	\$(1.7)	Total Deposits	\$2,674	\$2,737	\$(63)
Provision (credit) for Credit Losses	\$3.7	\$(1.0)	\$(4.6)	Total Borrowings	\$159	\$159	\$0
Pre-Tax Income	\$5.1	\$11.5	\$(6.4)	Other Liabilities	\$54	\$54	\$0
Income Tax Expense	\$1.3	\$2.9	\$1.6	Total Liabilities	\$2,887	\$2,950	\$(63)
Reported Net Income	\$3.8	\$8.5	\$(4.7)	Equity	\$268	\$265	\$3
EPS	\$0.48	\$1.09	\$(0.61)	Total Liabilities & Equity	\$3,155	\$3,215	\$(60)
<i>Pre-Tax, Pre-Provision Net Revenue per share²</i>	<i>\$1.14</i>	<i>\$1.37</i>	<i>\$(0.23)</i>				

¹ Variances are rounded based on actual whole dollar amounts

² Pre-tax, pre-provision net revenue per share is a non-GAAP metric & excludes provision for loan losses and income tax expense

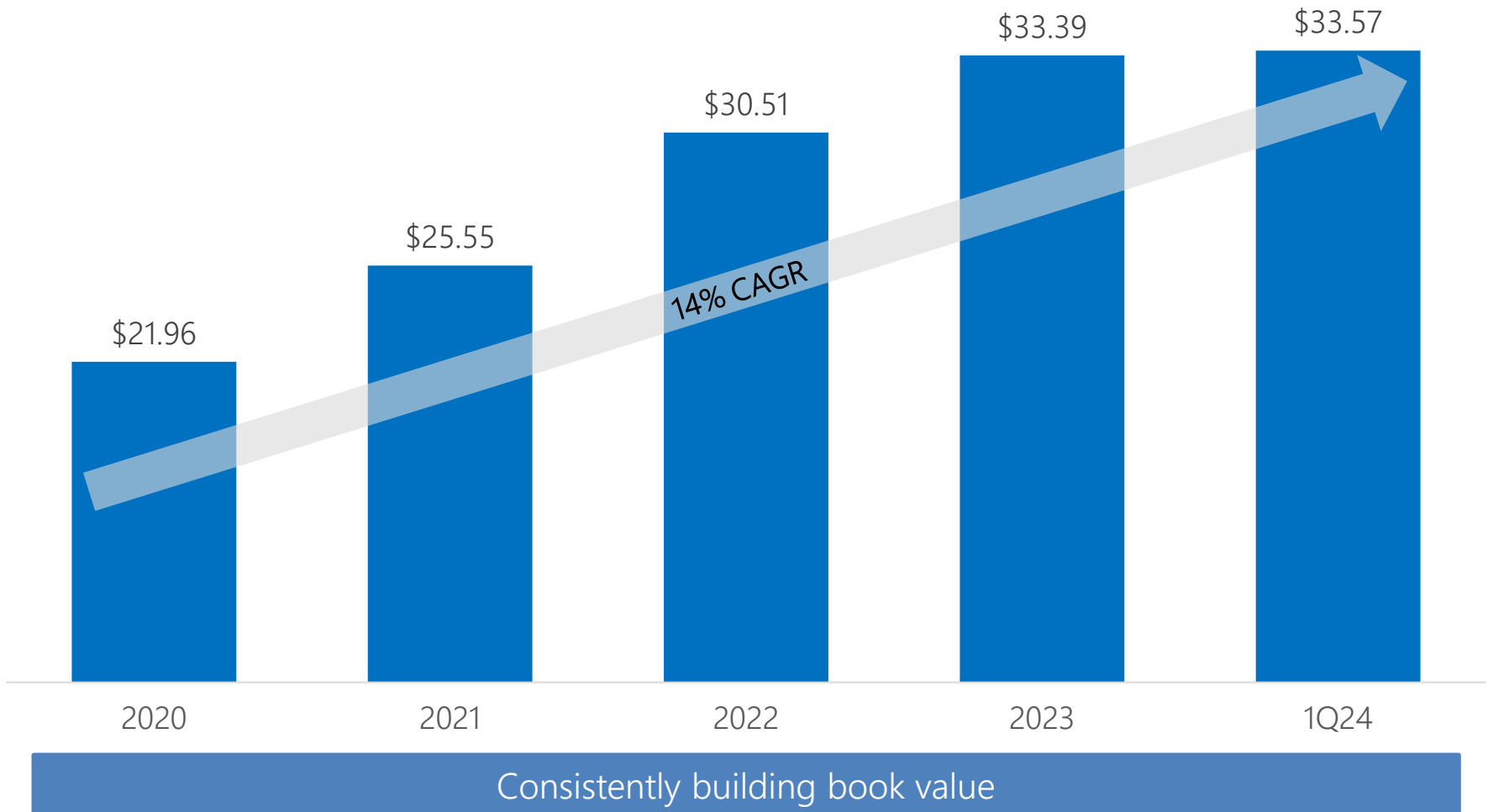


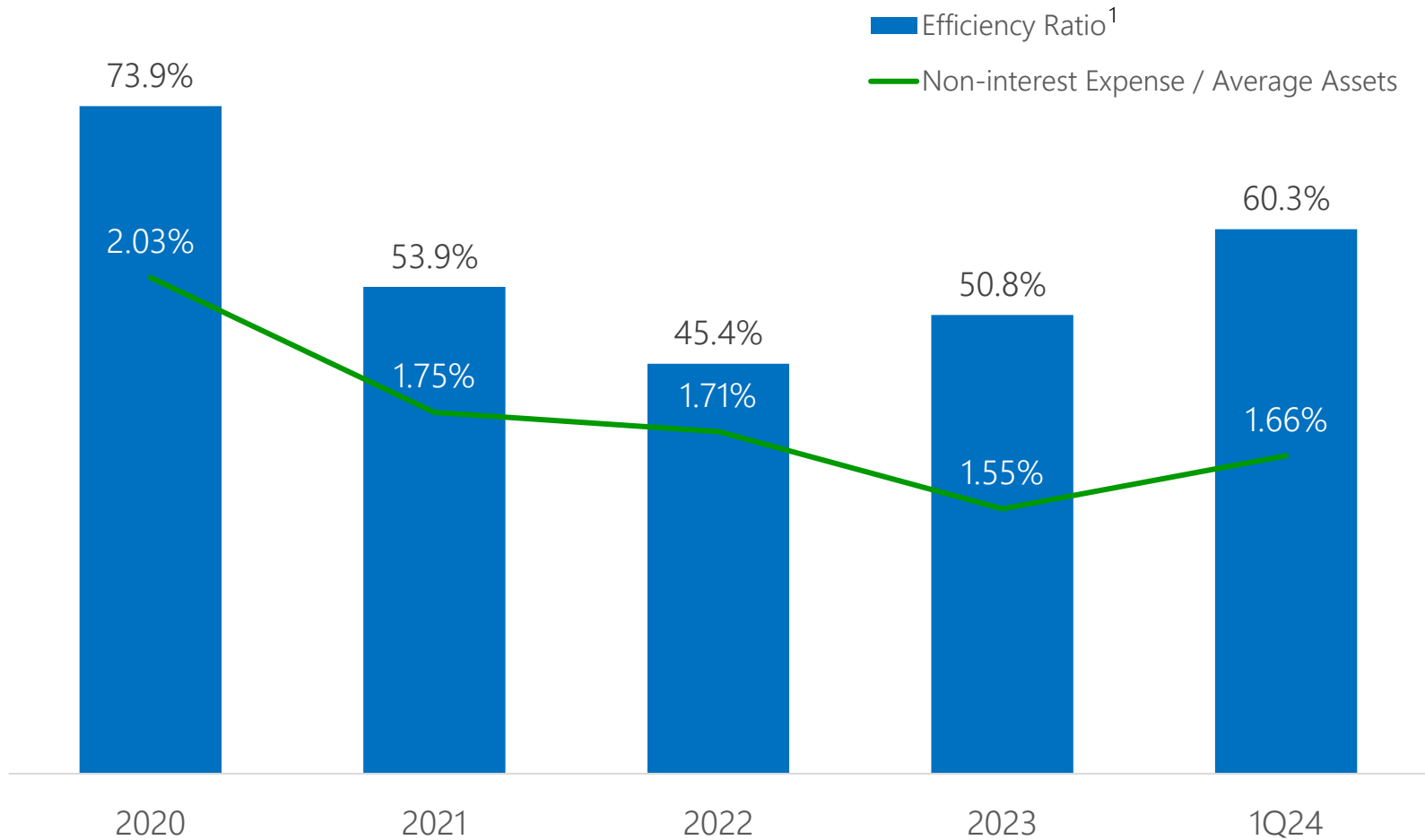


¹ Pre-tax, pre-provision net revenue is a non-GAAP metric & excludes provision for loan losses and income tax expense



Fully Diluted Tangible Book Value





¹ A non-GAAP metric

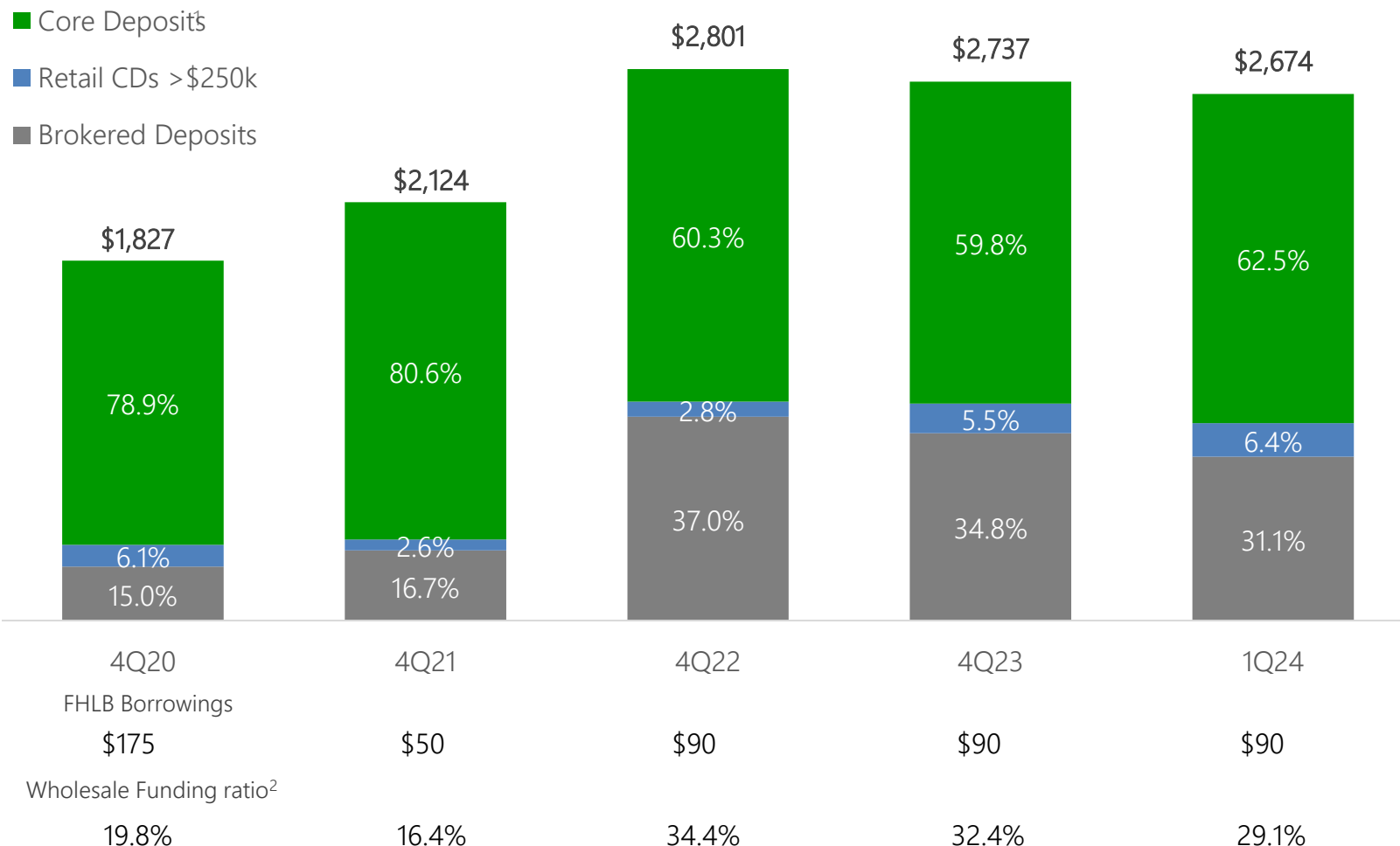




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Deposits & Liquidity

Dollars in millions

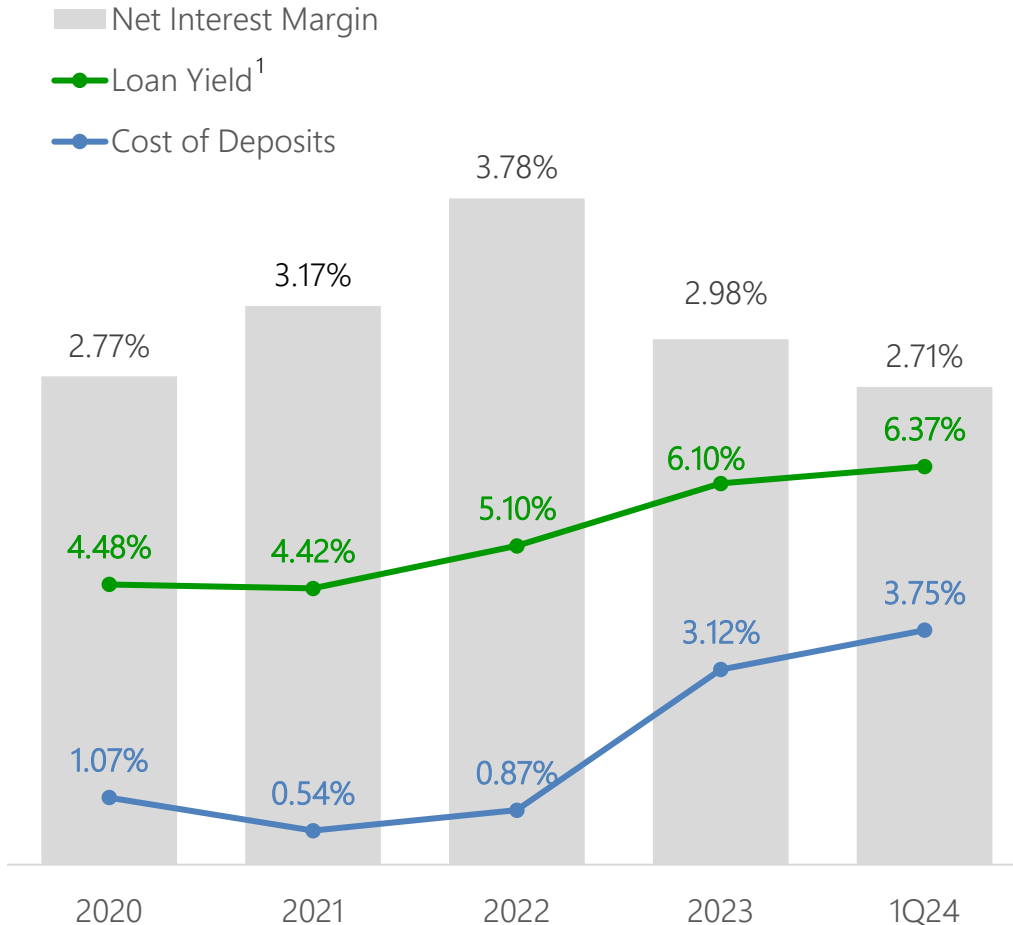


Since 4Q23: \$120 million decrease in brokered deposits; \$36 million increase in core deposits

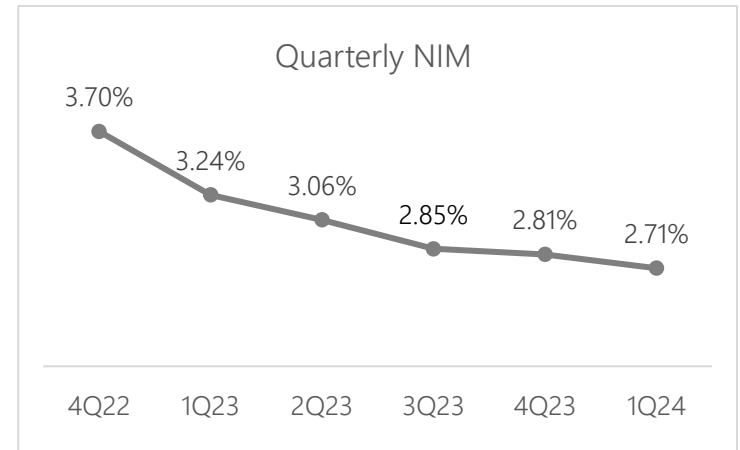
¹ Core Deposits include Commercial and Consumer checking, savings and money market accounts, and Retail CDs under \$250k

² Wholesale Funding ratio defined as brokered deposits and FHLB borrowings as a percentage of total assets





- NIM continues to decline with inverted yield curve

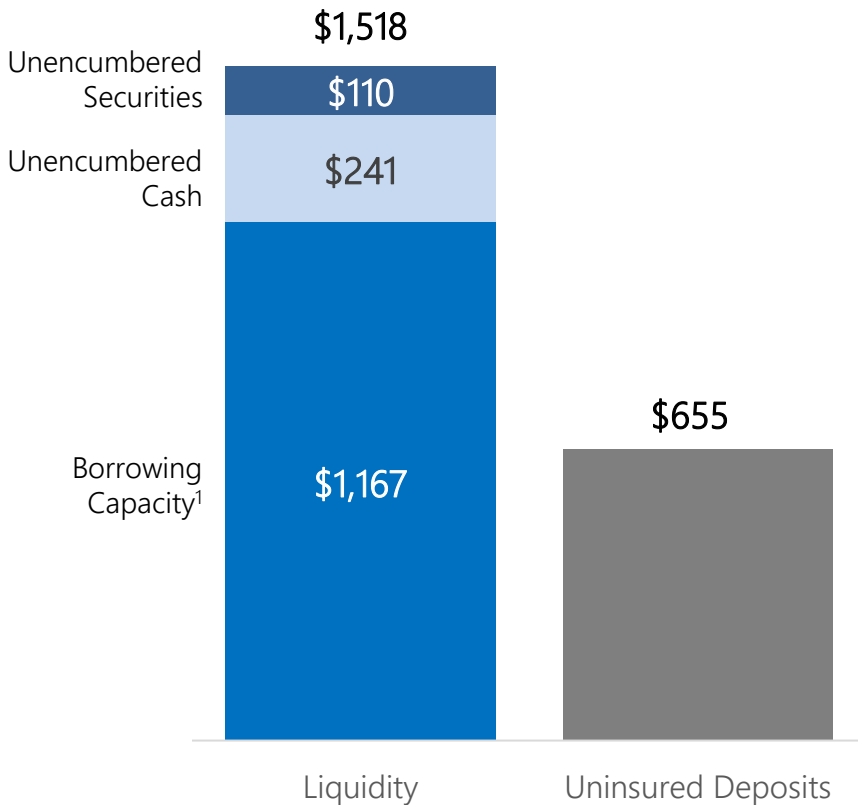


- Assuming no further Fed action, NIM anticipated to trough in 2Q at approximately 255 to 265 basis points

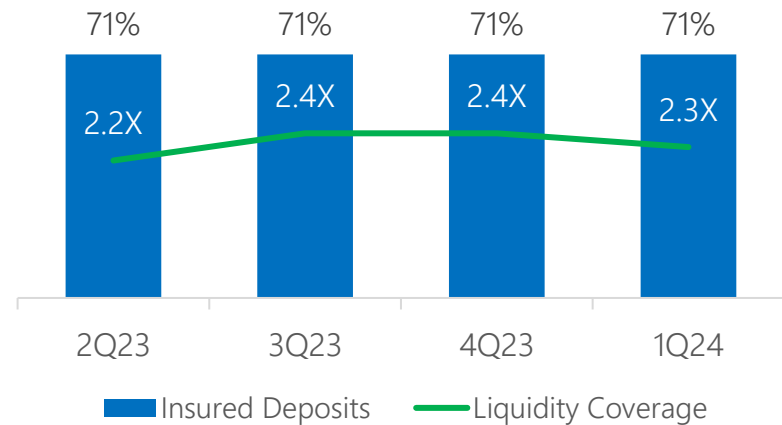
¹ Includes origination fee amortization



1Q24 Liquidity Coverage = 2.3X



- \$2,018 million total insured deposits includes:
 - \$1,908 million FDIC-insured deposits
 - \$111 million deposits secured by FHLB LOCs (municipal deposits)
- 11% liquidity on balance sheet (Cash & Securities)
- Stable insured deposit base:

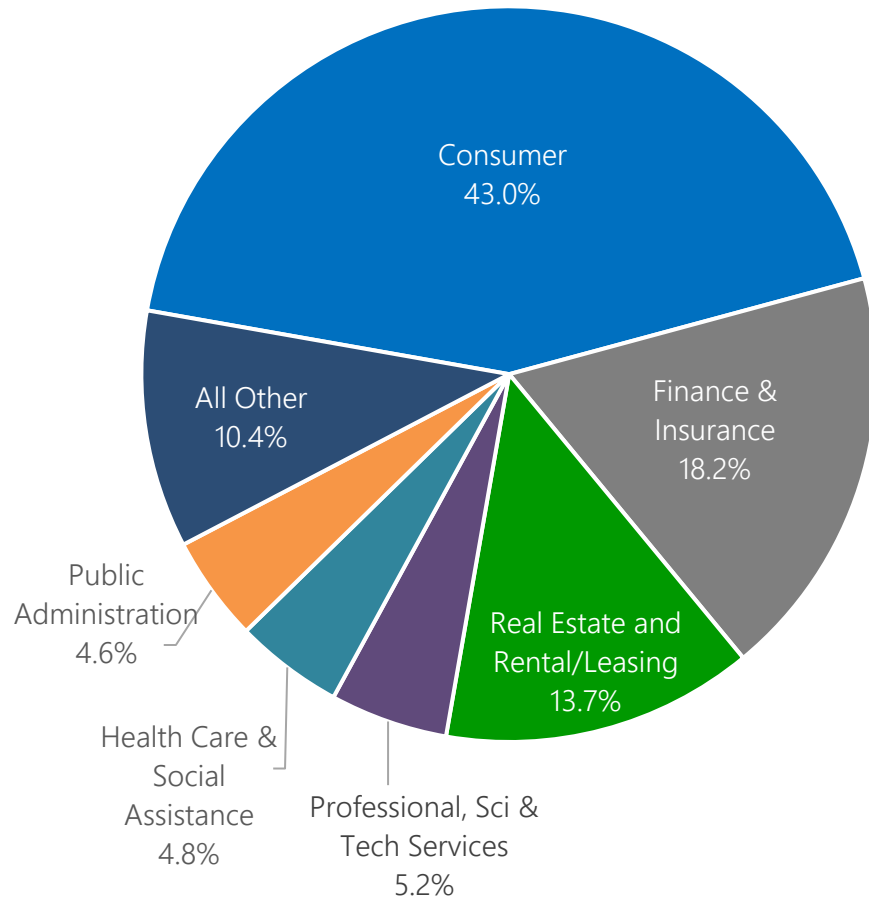


Available Liquidity Covers Uninsured Deposits 2.3X

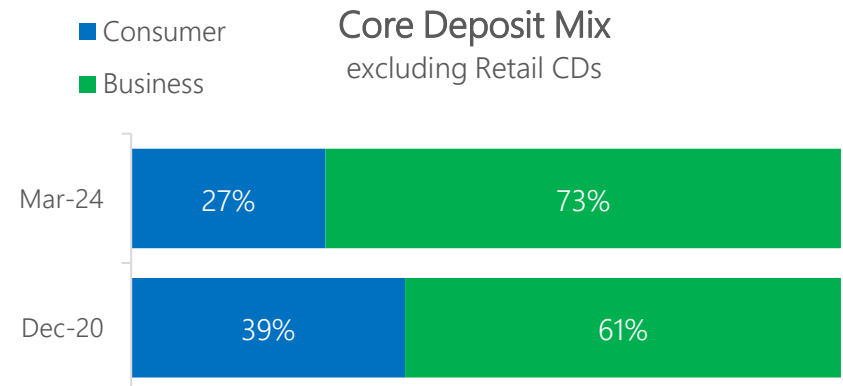
¹ Bank lines, including FHLB & FRB



Deposits by Industry¹



- No digital currency deposits
- No single depositor greater than 4% of total deposits
- Average account size of \$81 thousand¹
 - Consumer average \$52 thousand
 - Business average \$141 thousand
- Long-term mix shift into Business deposits:



¹ Excluding Brokered deposits



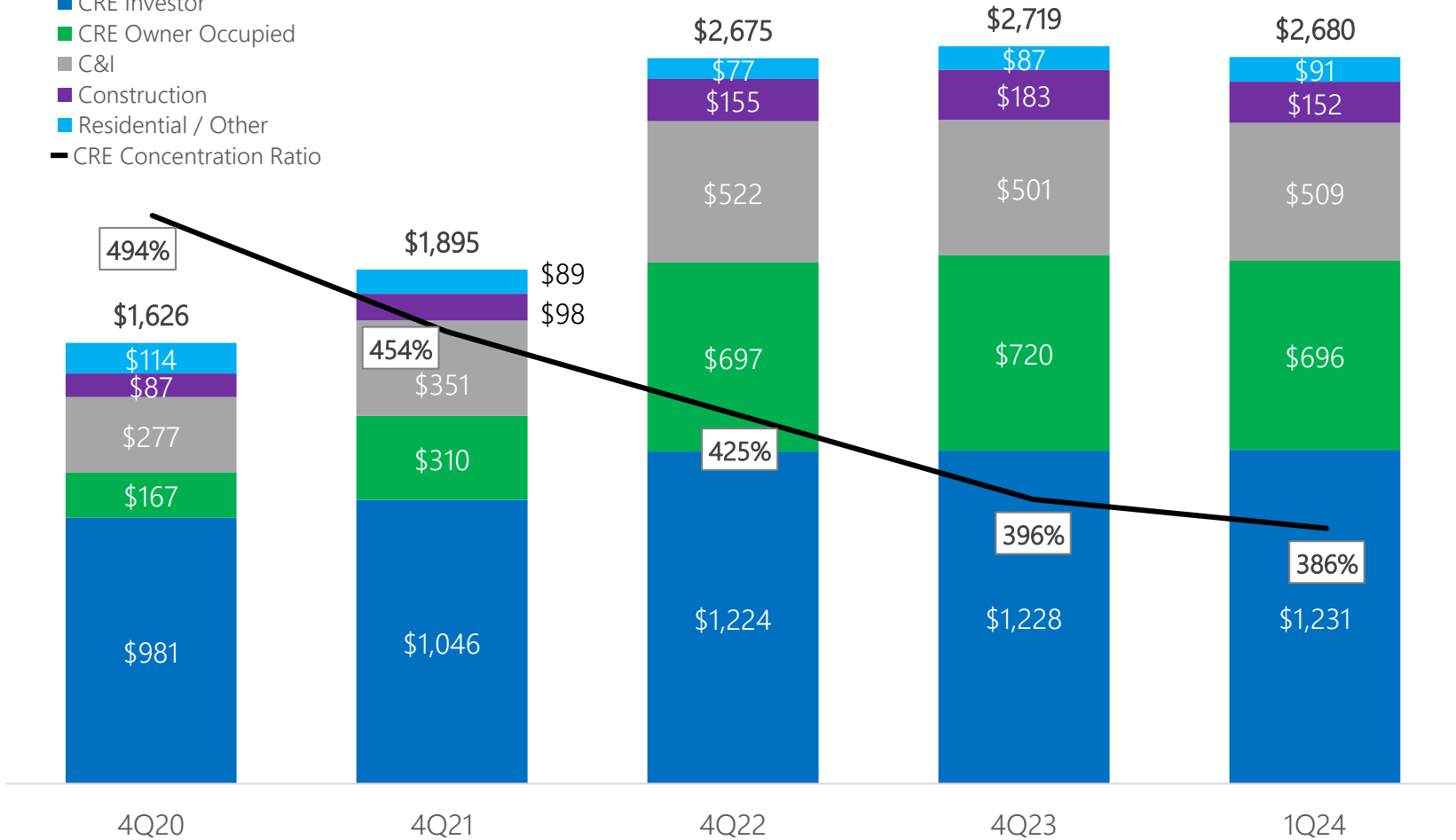
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Loans

Loan Balance Trends

Dollars in millions

- CRE Investor
- CRE Owner Occupied
- C&I
- Construction
- Residential / Other
- CRE Concentration Ratio



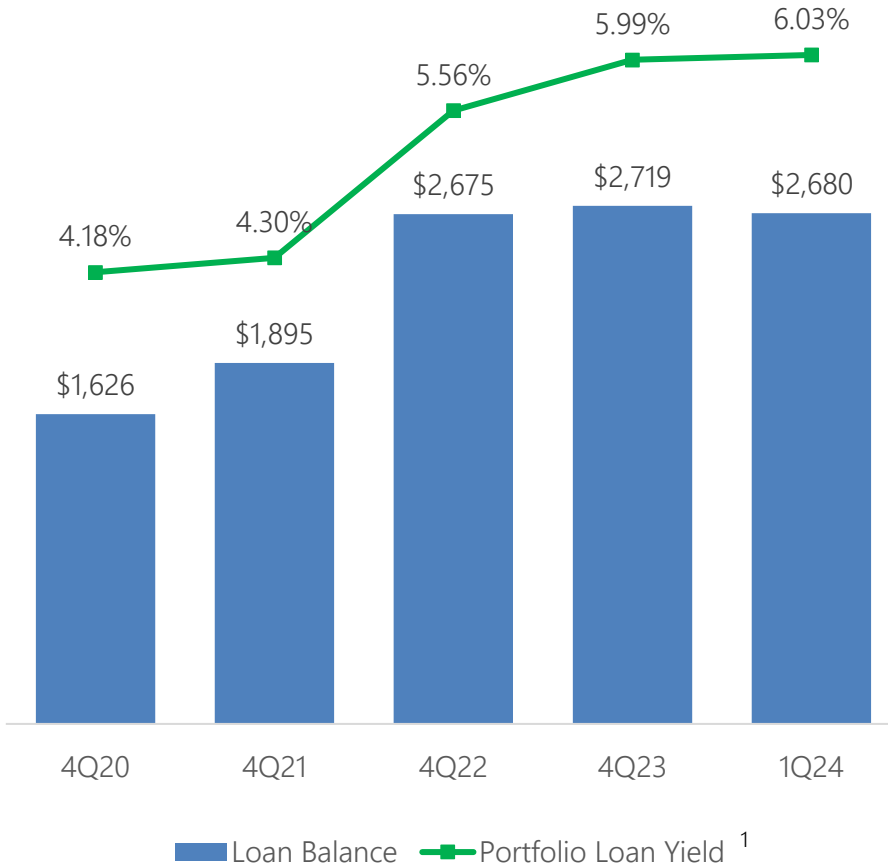
Declining CRE Concentration Ratio reflective of favorable improvement in mix



Loan Yields Steadily Increasing

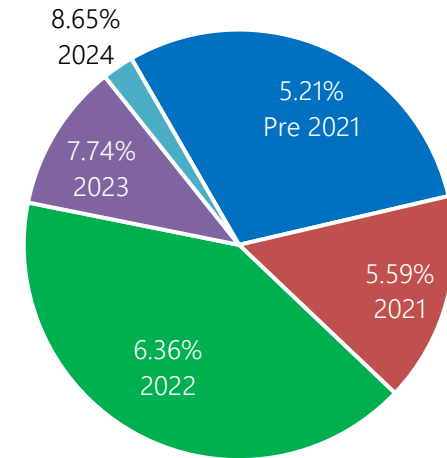
Dollars in millions

Loan portfolio yields increased 185 bps since 2020



Yields by Vintage²

70% of balances are 2021-24 vintages



Loan Maturities & Contractual Repricing

Excluding floating rate loans

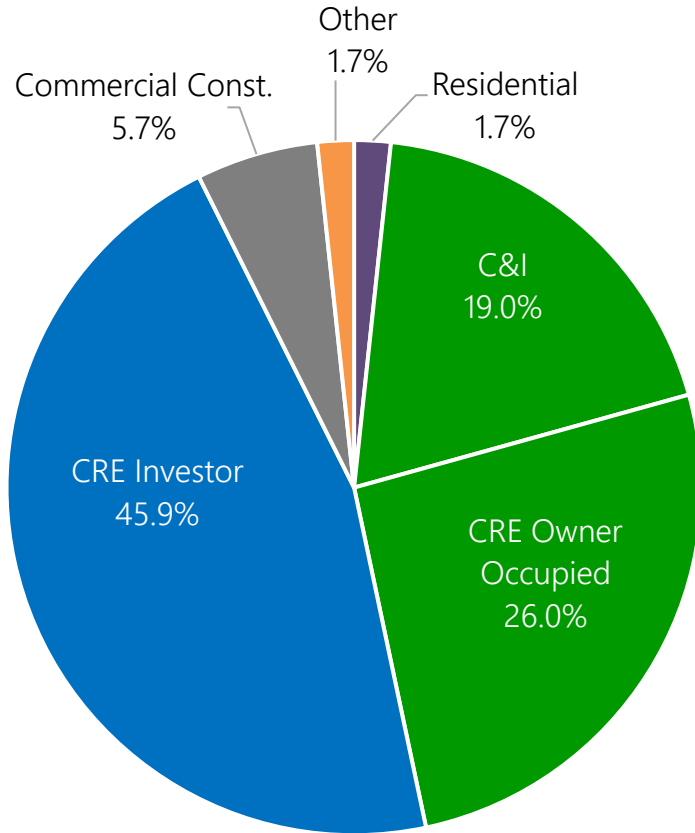
Year	Maturity	Contract Reprice	Total	% Total Loans
2024	\$199	\$37	\$236	9%
2025	\$618	\$46	\$664	25%
2026	\$223	\$48	\$271	10%
2027+	\$807	\$85	\$892	33%
Total	\$1,846	\$216	\$2,062	

¹ Weighted average yield based on active loans as of each date, an "exit" rate

² Weighted average yield based on active loans as of 3-31-2024, an "exit" rate

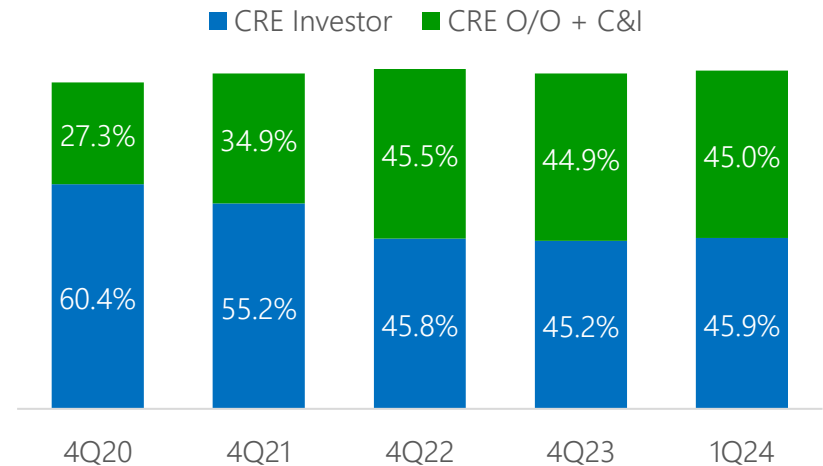


Loan Portfolio Composition



Total Loan Portfolio = \$2,680 million

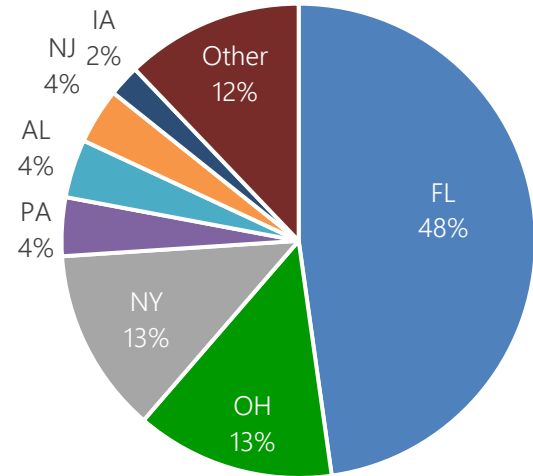
- No single relationship represents more than ~4% of total loans, as of March 31, 2024
- Favorable trend in Investor CRE:



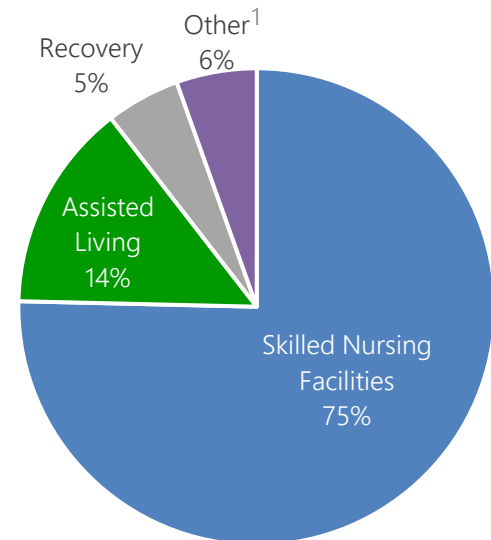
\$786 million combined Healthcare portfolio

- Consists primarily of skilled nursing facilities located across the US
- Healthcare lending team has more than 15 years of industry experience
- High touch service model attracts desirable ultra-high net worth Healthcare borrowers
- 100% of Skilled Nursing Lending has recourse
- Focused on originating Healthcare loans in the most desirable states with:
 - Higher average occupancy
 - Low denial of payment rates for Medicaid
 - Strong senior demographic trends
 - Certificate of need programs

CRE Skilled Nursing Facility By State



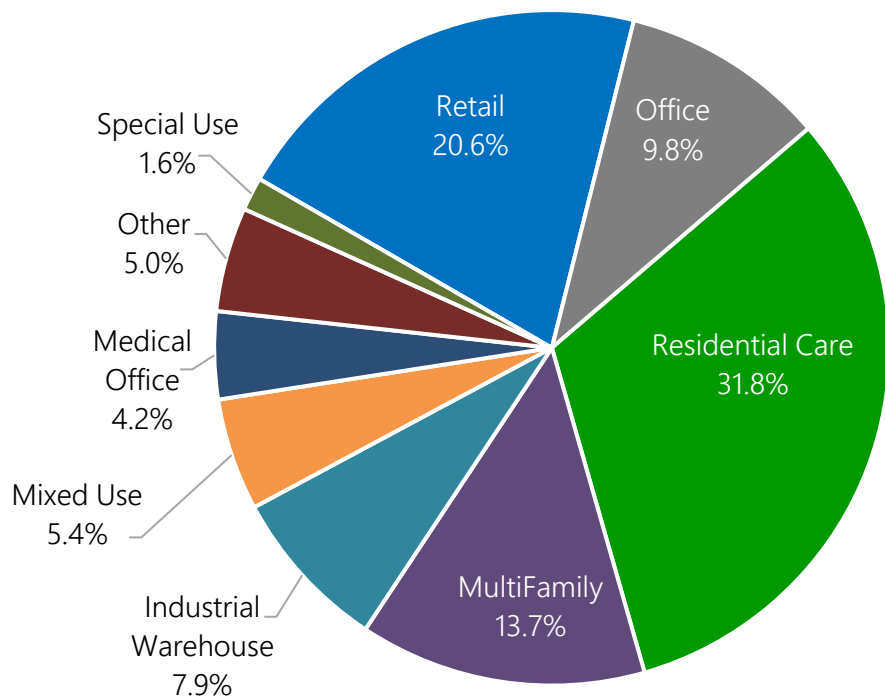
Healthcare Portfolio Composition



¹ Includes Physicians

Dollars in millions

Total CRE Portfolio = \$1,928 million By Property Type



- 64% Owner Occupied
- Portfolio weighted average LTV² of 64.0%
- ~67% of all CRE loan balances have recourse

Loans Maturing or Repricing in 2024 – 2025³

Excluding floating rate loans

Property Type	Investor	Owner Occupied	Total
Residential Care	\$31	\$371	\$402
Retail	\$123	\$6	\$129
Office	\$73	\$10	\$83
Multifamily	\$50	\$0	\$50
All Other	\$121	\$18	\$139
Total	\$398	\$405	\$803

¹ Includes Owner Occupied CRE, does not include Construction

² LTVs based on original LTV values, at origination

³ Loans subject to repricing generally have a floor of not less than the original rate



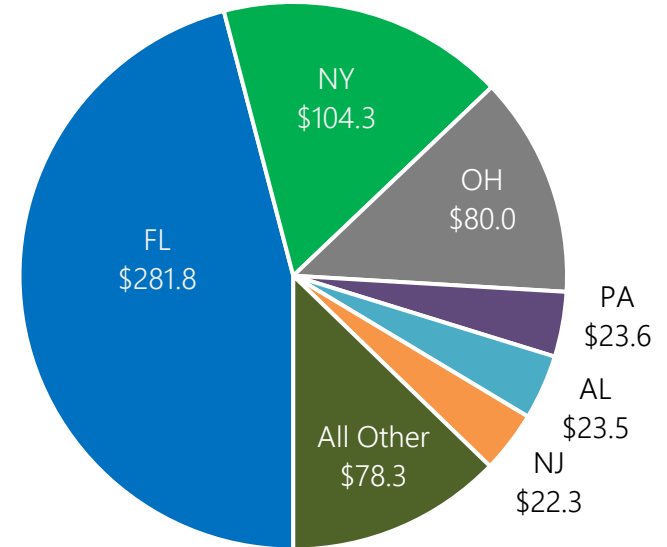
\$614 million Residential Care exposure 23% of total loan portfolio

- 100% performing loans
- \$9.4 million average size; 67% weighted average LTV²
- \$402 million (~66%) maturing in 2024-2025

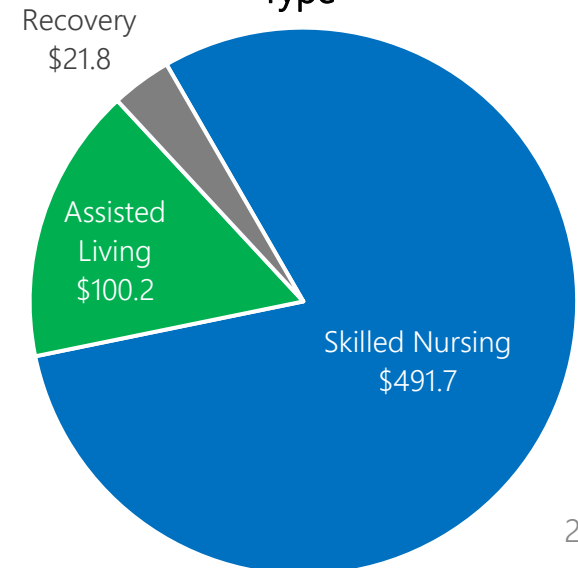
Year	Loan Count	Balance	Wtd Avg LTV ²
2024	8	\$70	69%
2025	32	\$332	66%
Total	40	\$402	67%

- Typical loan structure is 3 year bridge to HUD exit
- 100% loans have recourse; HNW guarantors
- 95% owner occupied (\$582 million)

Geography



Type



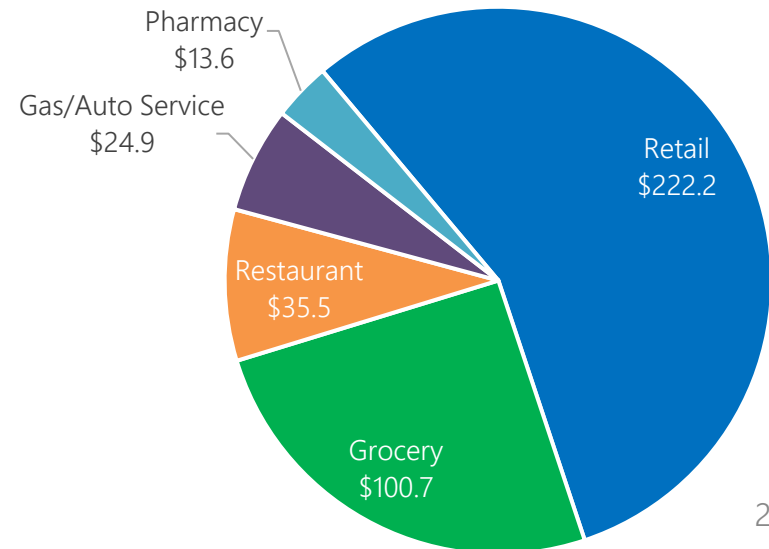
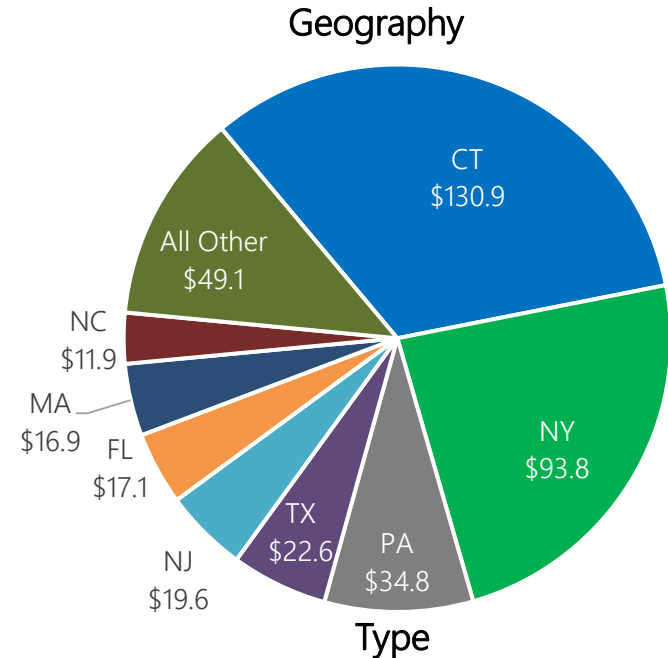
¹ Includes Owner Occupied CRE

² LTVs based on original LTV values, at origination

\$397 million Retail exposure 15% of total loan portfolio

- 96% loans are pass-rated; 99.94% current
- \$3.2 million average size; 64% weighted average LTV²
- \$129 million (~33%) repricing or maturing in 2024-2025

Year	Loan Count	Balance	Wtd Avg LTV ²
2024	16	\$44	66%
2025	31	\$84	63%
Total	47	\$129	64%



¹ Includes Owner Occupied CRE

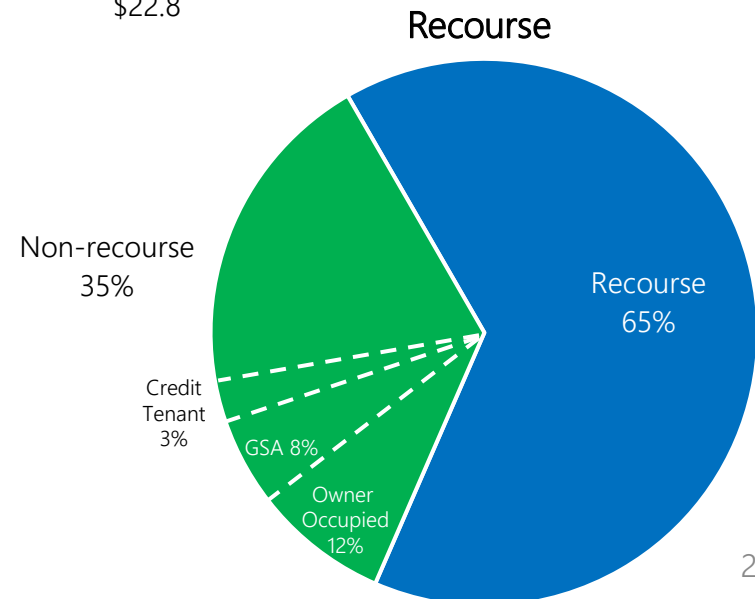
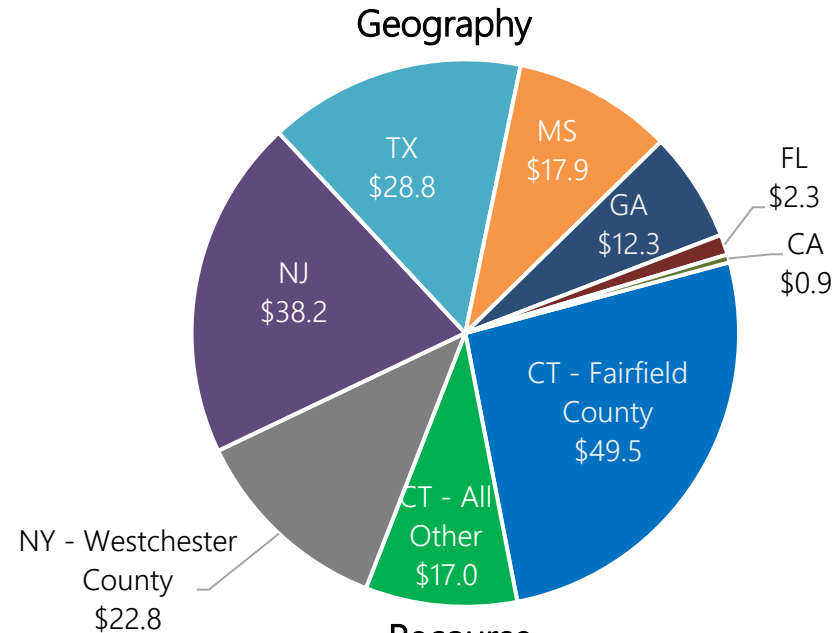
² LTVs based on original LTV values, at origination

\$190 million Office exposure 7% of total loan portfolio

- No New York City exposure
- 98% loans are pass-rated
- \$4.0 million average size; 64% weighted average LTV²
- \$83 million (~44%) repricing or maturing in 2024-2025

Year	Loan Count	Balance	Wtd Avg LTV ²
2024	8	\$52	67%
2025	7	\$31	65%
Total	15	\$83	67%

- 67% located in Bankwell's primary market
- Out of primary market loans are generally either GSA-leased, credit tenants, or owner-occupied



¹ Includes Owner Occupied CRE

² LTVs based on original LTV values, at origination



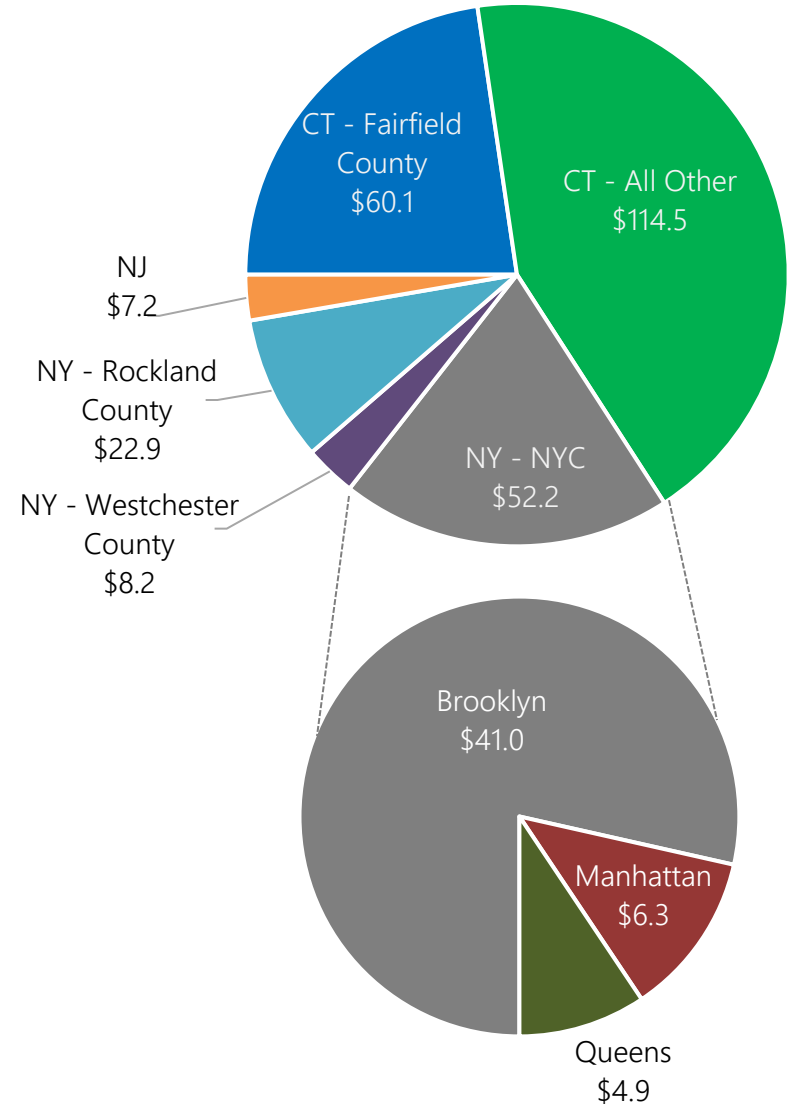
\$265 million Multifamily exposure 10% of total loan portfolio

- 100% loans are pass-rated and current
- \$3.6 million average size; 61% weighted average LTV²
- \$50 million (~19%) repricing or maturing in 2024-2025

Year	Loan Count	Balance	Wtd Avg LTV ²
2024	2	\$0.2	59%
2025	15	\$50	68%
Total	17	\$50	68%

- \$52 million NYC Multifamily exposure 20% of total Multifamily and 2% of total loan portfolio
 - 79% of New York City exposure in Brooklyn
 - 100% loans are pass-rated and current
 - \$4.7 million average size; 63% weighted average LTV²
 - \$8 million repricing 2025 at a blended rate of 6.83%
 - \$16 million has either rent control or rent stabilized units (0.6% of total loan portfolio); \$9 million guaranteed by sponsor with \$1+ billion net worth and \$0.5+ billion liquidity

Geography



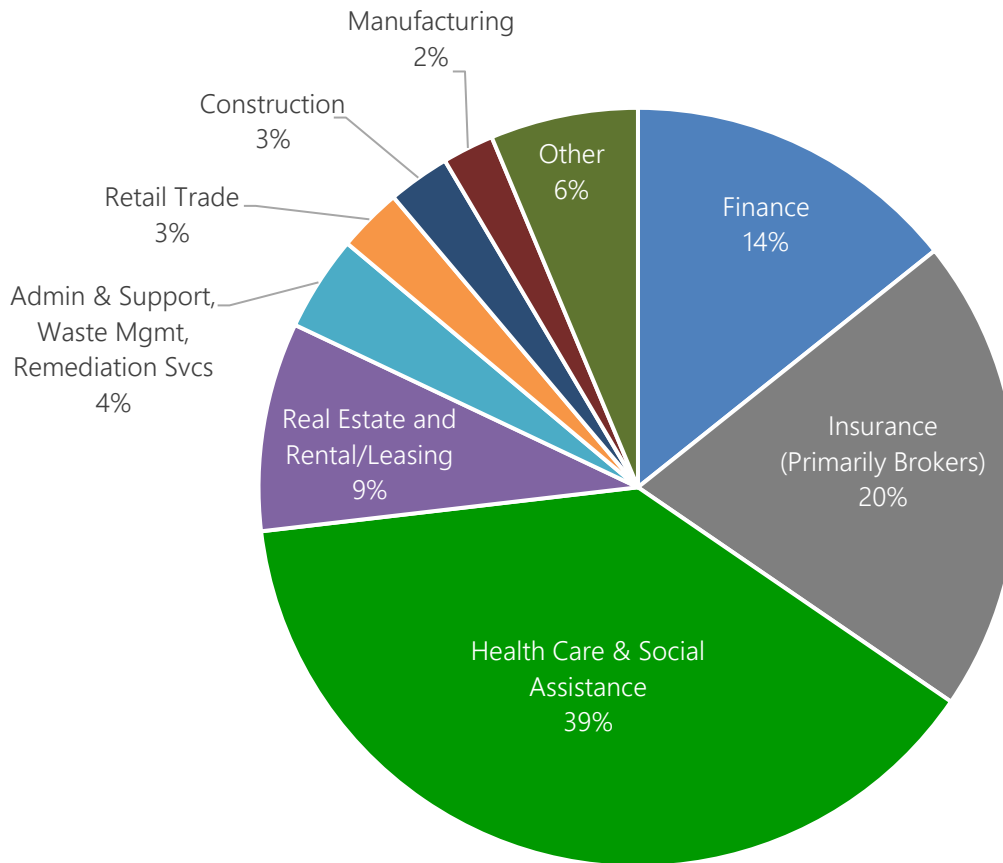
¹ Includes Owner Occupied CRE, does not include Construction

² LTVs based on original LTV values, at origination



Loans by Industry Type

Total C&I Portfolio = \$509 million



- 87% of C&I portfolio has recourse
- 94% of Healthcare loans have recourse
 - Primarily consists of working capital lines secured by government accounts receivable
- Insurance lending primarily to brokers of home and auto insurance

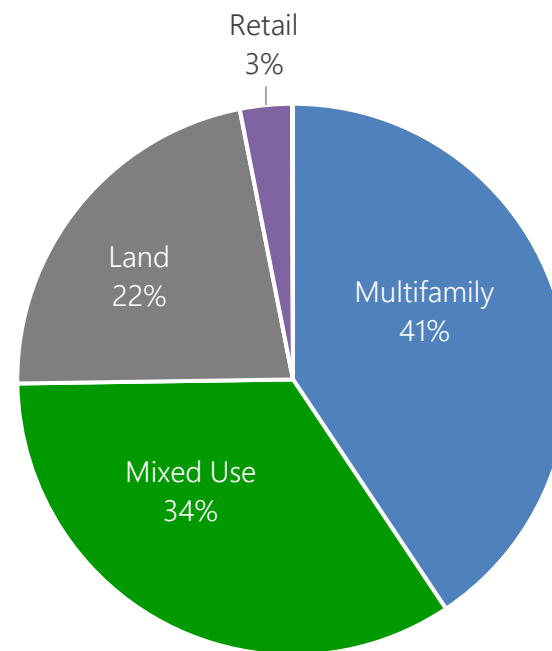


¹ Does not Include Owner Occupied CRE

- Commercial construction loans comprise ~6% of total loan portfolio (\$152 million)
- \$88 million of unfunded commitments, committed construction draws are subject to various terms and conditions, including completion of work verified by third party professional inspection

Dollars in millions	# Loans	\$ Committed	% Unfunded	\$ Unfunded
4Q23 Balance	31	\$278	35%	\$97
Closures in 1Q24	(7)	(\$40)		
4Q23 Loans @ 1Q24	24	\$238	37%	\$88
New 1Q24 Loans	0	\$0		
1Q24 Balance	24	\$238	37%	\$88

By Property Type





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Credit Quality & Capital

Dollars in millions

	1Q23		2Q23		3Q23		4Q23		1Q24	
Risk Rating	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%
1-5 "Pass"	\$2,714	98.4%	\$2,710	98.4%	\$2,694	97.7%	\$2,570	94.5%	\$2,527	94.3%
6 "Special Mention"	\$1	0.0%	\$28	0.1%	\$22	1.0%	\$67	2.5%	\$72	2.7%
7 "Substandard"	\$40	1.6%	\$36	1.4%	\$54	1.3%	\$76	2.8%	\$68	2.5%
8 "Doubtful"	\$2	0.0%	\$0	0.1%	\$0	0.0%	\$6	0.2%	\$13	0.5%
Total Gross Loans	\$2,757		\$2,774		\$2,770		\$2,719		\$2,680	
Non-Performing Loans	\$14.3		\$15.5		\$28.0		\$49.2		\$46.5	
% of Total Gross Loans	0.52%		0.56%		1.01%		1.81%		1.74%	

1Q24 Criticized & Classified Loans by Segment

Risk Rating	Performing	CRE	C&I	Construction	1-4 Family Residential	Total
6	Yes	\$64	\$8	\$0	\$0	\$72
7	Yes	\$27	\$4	\$0	\$2	\$34
7	No	\$8	\$15	\$9	\$1	\$34
8	No	\$11	\$2	\$0	\$0	\$13
Total		\$110	\$29	\$9	\$4	\$152

- \$106 million of criticized and classified loans are performing; 98% current
- Of those performing loans, \$95 million are to 8 Residential Care borrowers (CRE loans & related C&I Lines) who average:
 - \$617 million net worth
 - \$65 million liquidity
 - \$17 million personal cash flow



1Q24 Non-Performing Loans

Dollars in millions

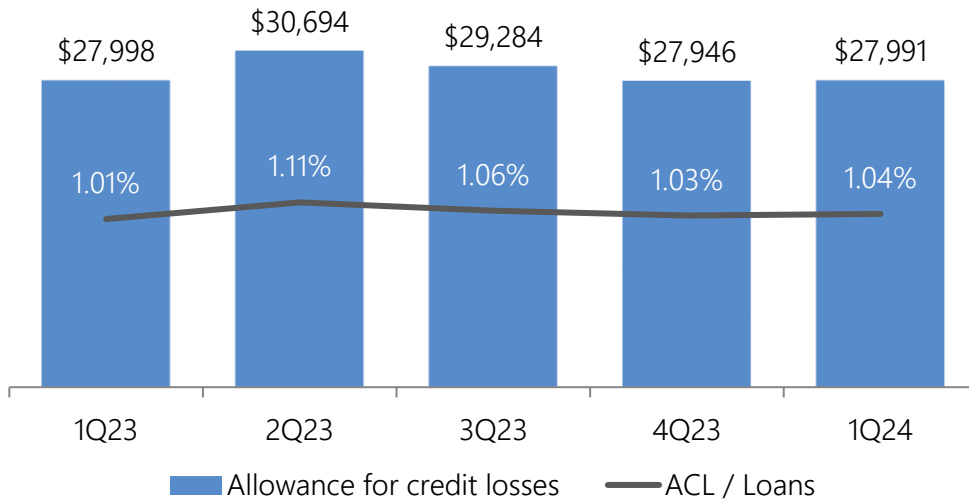
- All non-performing loans individually evaluated for impairment
- Balances charged off or specifically reserved, as appropriate

	Segment	Balance	% Total Gross Loans	Comments
Loan 1	CRE	\$10.4	0.39%	<ul style="list-style-type: none"> • Retail loan modified during COVID • Borrower paying according to terms of restructure • \$4.0 million charged off (\$3.8 million in 2Q21 and \$0.2 million in 4Q23)
Loan 2	Construction	\$9.4	0.35%	<ul style="list-style-type: none"> • Litigation in process, full payment expected • 46% LTV & full recourse • HNW guarantors
Loan 3	C&I	\$8.7	0.32%	<ul style="list-style-type: none"> • \$0.4 million specific reserve
Loan 4	CRE	\$4.1	0.15%	<ul style="list-style-type: none"> • Retail loan in suburban CT; Large tenant bankruptcy • Borrower paying according to terms of restructure • \$0.6 million charged off in 4Q23
Loan 5	CRE	\$3.1	0.11%	<ul style="list-style-type: none"> • Office loan in suburban CT • \$2.8 million charged off in 1Q24
Subtotal		\$35.7	1.33%	
SBA Loans		\$9.5	0.36%	<ul style="list-style-type: none"> • \$8.7 million (33 basis points) are SBA-guaranteed balances • \$0.7 million charged off in 1Q24
All Other		\$1.3	0.05%	<ul style="list-style-type: none"> • 4 loans; 97% balance residential mortgages
Total		\$46.5	1.74%	



Allowance for Credit Losses ("ACL")

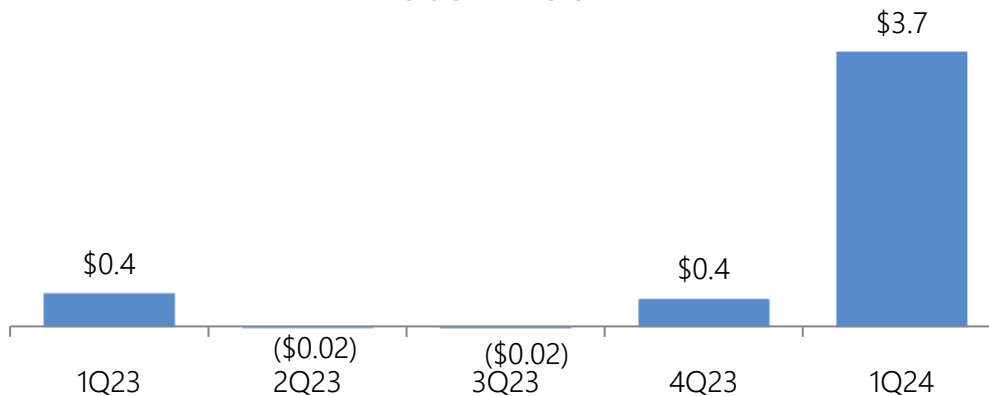
Dollars in thousands



- \$3.7 million provision expense in 1Q24 attributed to:
 - \$3.7 million net charge offs
 - \$0.9 million macroeconomic factors
 - (\$0.3) million loan volume
 - (\$0.6) million net specific reserve release

Net Charge Offs (Recoveries)

Dollars in millions



- 1Q24 charge offs include:
 - \$2.8 million suburban CT office loan
 - \$0.7 million on 2 SBA loans (unguaranteed balances)



Fully Diluted Tangible Book Value

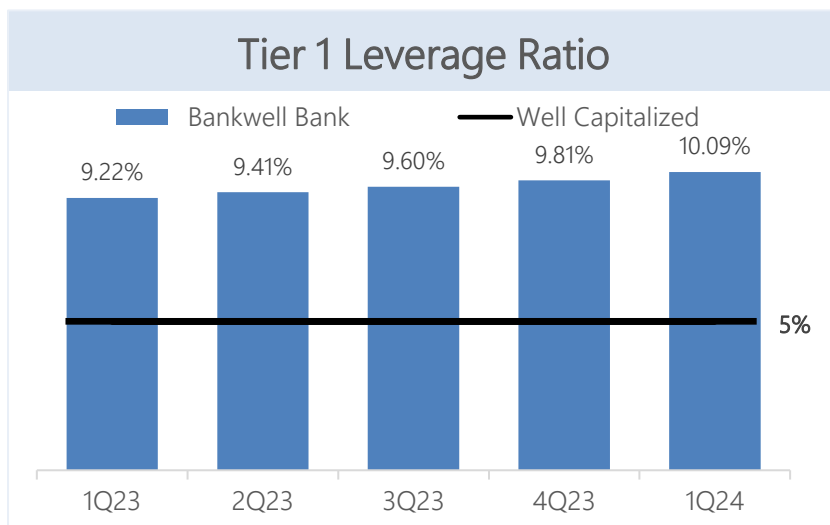
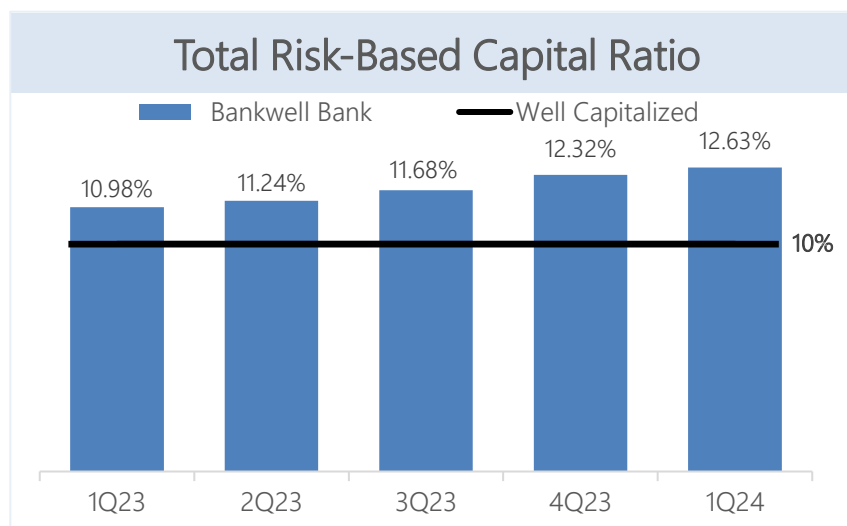
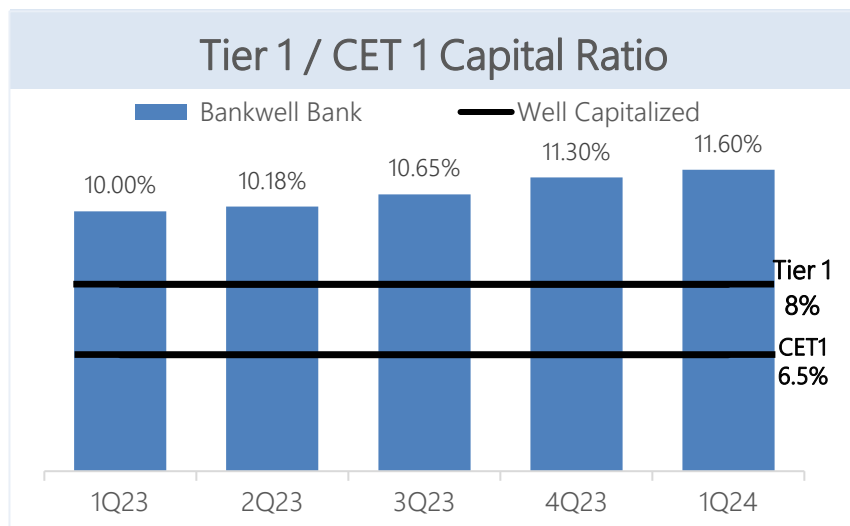
1Q24 TBV / Share Walk



- Repurchased 36,180 shares at an average price of \$25.42 in 1Q24

¹ Misc includes items such as, but not limited to, changes related to stock grants and share count





- Additional 1Q24 ratios:
 - 8.42% TCE Ratio²
 - 43% Construction Concentration Ratio
- Repurchased 36,180 shares at an average price of \$25.42 in 1Q24

¹ Current period ratios are estimates pending FDIC call report filing

² Consolidated ratio





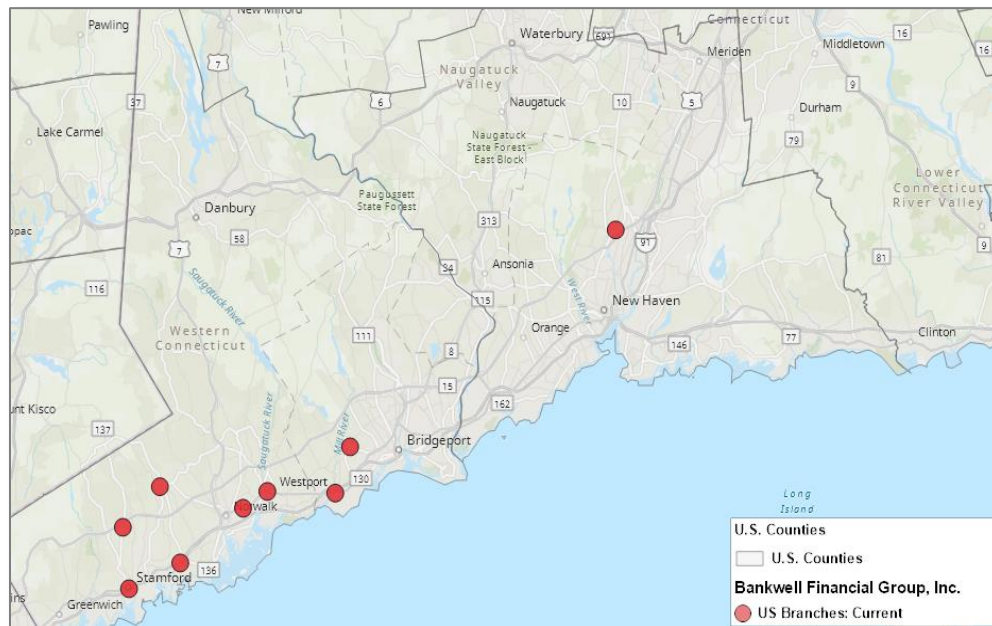
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History & Overview

- Connecticut-based \$3.2 billion commercial bank
- 9 branches in Fairfield & New Haven Counties
- \$311 million deposits per branch; one of the highest in Fairfield & New Haven Counties¹

Bankwell operates in an attractive core market:

- 4th most affluent MSA in the Nation in per capita personal income (PCPI)²
- 4 of the top 25 wealthiest towns in the U.S.³
- Headquarters of 9 Fortune 500 companies⁴
- Home to three of the largest hedge funds in the U.S.
- MSA ranked 13th most educated overall, 9th highest percentage of bachelor degree holders⁵
- Median value of owner-occupied units of \$704 thousand⁶
 - In addition, New Haven County median value of owner-occupied units of \$237 thousand⁶



¹ Source: S&P Global Market Intelligence's *Branch Competitors & Pricing Report* as of 6/30/23, excluding global money center banks (tickers BAC, WFC, JPM, TD & C)

² Source: Bureau of Economic Analysis' *Metropolitan Area Table*, contained within the *Personal Income by County & Metropolitan Area, 2022* news release 11/16/23

³ Source: Bloomberg: *2020 Richest Places*

⁴ Source: Fortune.com: *2023 Fortune 500*

⁵ Source: WalletHub: *Most & Least Educated Cities in America, 7/17/23*

⁶ Source: US Census Bureau QuickFacts (as of July 1, 2022 data)



Dollars in thousands, except per share data

	2020	2021	2022	2023	1Q24
Total assets	\$2,253,747	\$2,456,264	\$3,252,449	\$3,215,482	\$3,155,274
Net loans	\$1,601,672	\$1,875,167	\$2,646,384	\$2,685,301	\$2,646,686
Loan-to-deposit ratio	87.9%	88.8%	95.2%	98.9%	99.7%
Return on average assets	0.28%	1.17%	1.44%	1.13%	0.47%
Efficiency ratio ¹	73.9%	53.9%	45.4%	50.8%	60.3%
Non-interest expense / average assets	2.03%	1.75%	1.71%	1.55%	1.66%
Net interest margin	2.77%	3.17%	3.78%	2.98%	2.71%
Total capital to risk weighted assets	12.28%	12.00%	11.07%	12.32%	12.63%
Tangible common equity ratio ¹	7.73%	8.13%	7.26%	8.19%	8.42%
Return on average tangible common equity	3.40%	14.05%	16.91%	14.70%	5.65%
Fully diluted tangible book value per share ¹	\$21.96	\$25.55	\$30.51	\$33.39	\$33.57
Net interest income	\$54,835	\$67,886	\$94,743	\$94,468	\$21,147
Pre-tax, pre-provision net revenue ¹	\$14,907	\$33,803	\$53,420	\$48,909	\$8,765
Net income	\$5,904	\$26,586	\$37,429	\$36,664	\$3,763
EPS (fully diluted)	\$0.75	\$3.36	\$4.79	\$4.67	\$0.48

¹ A non-GAAP metric



Experienced Leadership Team

Name	Years Experience	Selected Professional Biography
Christopher Gruseke Chief Executive Officer Director (since 2015)	30+	Mr. Gruseke was a founding investor and director of Bankwell Financial Group's predecessors, BNC Financial Group, Inc., and The Bank of New Canaan. He brings more than 25 years of capital markets, operations, sales and finance experience to his role at the Company. Most recently, he was a member of the Executive Committee at CRT Capital, a Stamford, Connecticut-based broker/dealer. He also served as Co-Chief Operating Officer and a member of the Board of Greenwich Capital Markets. Mr. Gruseke earned a B.A. from Williams College and an M.S. from the Stern School of Business at New York University.
Steven H. Brunner Chief Risk & Operations Officer (since 2024)	20+	Mr. Brunner has over 20 years of experience in Commercial Banking. He previously served as Global Head of Financial Crimes at Wex, Inc. a global financial technology payments company. His prior experience also includes nine years at Sterling National Bank, holding multiple compliance and risk management positions, serving as BSA/AML/OFAC Compliance & Security Officer from 2017 until the bank's merger with Webster Financial Bank. During his 9 years at Sterling National Bank, the bank grew its assets from \$3 billion to over \$30 billion. Prior thereto, Mr. Brunner held similar risk management roles at Ally Financial, Inc. and AXA Equitable. Mr. Brunner earned his B.S. in Economic Crime Investigation, with a concentration in Computer Security from Utica University.
Christine A. Chivily Chief Credit Officer (since 2013)	40+	Ms. Chivily has over 40 years of experience in banking and real estate finance. She previously served in a risk management role for the CRE and C&I loan portfolios at People's United Bank. Her prior experience also includes five years as Director of Freddie Mac's New England region for multifamily properties and 11 years as Senior Credit Officer at RBS Greenwich Capital. She also has over 10 years of combined experience in lending, loan administration and workouts at other various banking institutions. Ms. Chivily received her B.A. from Mt. Holyoke College.
Ryan J. Hildebrand Chief Innovation Officer (since 2023)	20+	Mr. Hildebrand has over 20 years of experience in fintech and banking. He led business units at Cross River Bank and LSBX, driving increased deposits and fee income. He founded Seed, a pioneering challenger bank acquired by Cross River. Previously, he served as Head of Finance and Strategy at Simple, the first consumer challenger bank, and held positions at Umpqua Bank and PricewaterhouseCoopers. Mr. Hildebrand received his B.A. in Accounting from Oregon State University.
Matthew McNeill Chief Banking Officer (since 2020)	20+	Mr. McNeill has more than 20 years of experience in Commercial Banking. He most recently served as Head of Commercial Lending at Metropolitan Commercial Bank. During his 8 years at Metropolitan Commercial Bank the bank grew its lending assets from \$400 million to over \$3 billion. Mr. McNeill has additionally held lending roles at HSBC Bank US and Banco Santander. Mr. McNeill has also served as Managing Partner at American Real Estate Lending; a Commercial Real Estate finance company.
Courtney E. Sacchetti Chief Financial Officer (since 2023)	25+	Ms. Sacchetti has more than 25 years experience in Financial Services. She most recently served as Director of Financial Planning & Analysis for the Company for 6 years. She began her career at GE Capital in the Financial Management Program (FMP) and held various finance and regulatory positions of increasing responsibility over her 18-year career at GE Capital. Ms. Sacchetti earned a B.A. and an M.B.A. from Union College.





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Thank You & Questions